

Senate Engrossed

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 152

SENATE BILL 1115

AN ACT

AMENDING SECTION 35-315, ARIZONA REVISED STATUTES; RELATING TO STATE
SERVICING BANKS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-315, Arizona Revised Statutes, is amended to
3 read:

4 35-315. Servicing banks; qualifications; proposals

5 A. Any bank eligible to become an eligible depository having a total
6 capital structure of ten million dollars or more and assets of two hundred
7 million dollars or more and being otherwise in a sound condition is eligible
8 to be the servicing bank for the state.

9 B. On the first Monday in April of each year of award, the state board
10 of investment shall NOTIFY in writing ~~notify~~ each of the banks qualified to
11 be a servicing bank of the time and place at which servicing ~~bids~~ PROPOSALS
12 will be received. ~~Notification of bids~~ REQUESTS FOR PROPOSALS shall clearly
13 specify all services required to be performed by the servicing bank. The
14 servicing ~~bid~~ PROPOSAL submitted shall be the compensation for which the
15 qualified bank will agree to perform the required services as a servicing
16 bank for the ensuing period of designation as established by the board of
17 investment. The award shall be made for a period not to exceed five years
18 and may be paid from general fund interest earnings according to rules
19 adopted by the board of investment.

20 C. On the fourth Monday in April of the year of the award, the state
21 treasurer shall receive the servicing ~~bids~~ PROPOSALS in writing. Only those
22 ~~bids which~~ PROPOSALS THAT conform to the specifications set forth in the
23 ~~notification of bids~~ REQUEST FOR PROPOSALS shall be considered. The
24 qualified bank ~~representing the lowest bid~~ SUBMITTING THE PROPOSAL WITH THE
25 HIGHEST VALUE TO THIS STATE, AS DETERMINED BY THE STATE TREASURER AND THE
26 BOARD OF INVESTMENT, shall be designated as the servicing bank. Designations
27 shall be evidenced by the signing of the ~~notification of bid~~ FINAL PROPOSAL
28 by the state treasurer, the board of investment and the designee bank. ~~If~~
29 ~~there are identical low bids, the state treasurer shall determine by lot~~
30 ~~which of the identical low bidders shall be the designee.~~ The state
31 treasurer may maintain a bank account in conjunction with the servicing bank
32 account, which must have on deposit at all times a sum of money approximating
33 the average dollar value of daily warrants paid by the bank the previous
34 month. The balance shall be established by the state board of investment.

35 D. The state treasurer may request and qualified banks may submit ~~bids~~
36 PROPOSALS for any or all of the services required. The state treasurer may
37 specify differing contract periods for any or all of the services required.

38 E. The state treasurer or servicing bank may terminate a servicing
39 bank contract at any time after sixty days' prior written notice is given.

40 F. In addition to the services required of the servicing bank, the
41 state treasurer shall contract for all other banking services required by any
42 state agency. No state agency shall contract for banking services except
43 with the written permission of the state treasurer.

44 G. This section does not require the state treasurer to utilize a
45 servicing bank.

1 H. This section or the specifications set forth in the ~~notification of~~
2 ~~bids~~ REQUEST FOR PROPOSALS shall not be construed to require the servicing
3 bank to purchase warrants.

4 I. Deposits and withdrawals of monies shall be made by the state
5 treasurer through direct deposit and withdrawal on the servicing bank.

6 Sec. 2. Emergency

7 This act is an emergency measure that is necessary to preserve the
8 public peace, health or safety and is operative immediately as provided by
9 law.

APPROVED BY THE GOVERNOR APRIL 17, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 17, 2006.